761

REPORT OF THE DIRECTORS

OF THE

Michigan Central Railroad Co.

TO THE STOCKHOLDERS:

TOGETHER WITH

THE REPORTS

OF THE

TREASURER, SUPERINTENDENT, AND TRUSTEES

OF SINKING FUND.

TRANSPORTATION LIBRARY
UNIVERSITY OF MICHIGAN

JUNE, 1877.

DETROIT:
DAILY POST BOOK AND JOB PRINTING ESTABLISHMENT.
1877.

REPORT OF THE DIRECTORS

OF THE

Michigan Central Railroad Co.

TO THE STOCKHOLDERS:

TOGETHER WITH

THE REPORTS

OF THE

TREASURER, SUPERINTENDENT, AND TRUSTEES

OF SINKING FUND.

JUNE, 1877.

DETROIT:
DAILY POST BOOK AND JOB PRINTING ESTABLISHMENT.
1877.

Transportation
Library
HE
2791
.M622

Transport.

OFFICERS.

DIRECTORS.

SAMUEL SLOAN, New York.	ISAAC BELL, New York.
MOSES TAYLOR, New York.	JOHN J. ASTOR, New York.
GEO. F. TALMAN, New York.	R. G. ROLSTON, New York.
FRED'K BILLINGS, Vermont.	AUGUST BELMONT, New York.

NATHANIEL THAYER, Boston.

DIRECTORS ELECTED IN JUNE, 1877.

SAMUEL SLOAN, New York.	ISAAC BELL, New York.
MOSES TAYLOR, New York.	JOHN J. ASTOR, New York.
GEO. F. TALMAN, New York.	R. G. ROLSTON, New York.
J. V. BARRON, Concord, N. H.	EDWARD AUSTIN, Boston.

NATHANIEL THAYER, Boston.

PRESIDENT,

SAMUEL SLOAN.

GENERAL SUPERINTENDENT,

H. B. LEDYARD.

TREASURER,

BENJ. DUNNING.

SECRETARY

R. G. ROLSTON.

ANNUAL REPORT.

MICHIGAN CENTRAL RAILROAD OFFICE,
DETROIT, August 31, 1877.

The following Report of the Michigan Central Railroad Company for the fiscal year ending May 31st, 1877, is respectfully submitted by the President and Directors.

This Railroad comprises 284 miles of Main Line between Detroit and Chicago, the "Air Line" between Niles and Jackson of $103\frac{60}{100}$ miles, with its local business being used as a second track, constitute 387 miles of track. There are $155\frac{62}{100}$ miles of sidings on these lines. There are $72\frac{50}{100}$ miles of double track in addition to that furnished by the Air Line, and all steel rail.

The Leased and Branch Lines, not including Air Line, are $416\frac{12}{100}$ miles in length, making a total of $803\frac{72}{100}$ miles operated.

This extent of Line has not been changed for the last five years.

The Gross Traffic for the year ending May 31st, 1877, derived from

	1877	1876
Freight	$4,158,887 32	$4,417,275 52
Passenger	2,026,265 44	2,138,233 41
Mail	94,220 04	108,433 06
Express	126,266 35	139,065 34
Miscellaneous . . .	92,487 61	47,956 73
Total . . .	$6,498,126 76	$6,850,964 06

A decrease in the Gross Earnings of $352,837.30.

The operating expenses for this last year to 31st May, 1877, (which include $100,000 for taxes, properly belonging to the previous year), were for 1877, $4,706,442.06.

For 1876, $4,802,902.23.

The *actual* decrease in expenses is $196,460.17.

The Net Earnings of the present year above all expenses of operation and taxes were $1,791,684.70, while in the year before they were $2,048,061.83, showing a decrease during the past year in the net earnings of the property of $256,377.13.

Your Directors have endeavored to examine the causes which have so largely reduced the income of this property, and have caused a statement to be prepared of the tonnage of the entire Line moved in each year for six years (differing somewhat from previous Reports, which confined the statement of Freight Traffic to the tonnage moved upon the Main Line only), from 1872 to 1877 inclusive, and the gross earnings from it, the expenses for each year, and the average rate per ton per mile, which is as follows :

	Tonnage.	Earnings from Freight.	Rate per Ton per Mile.	Total Expenses of Operation.
1872	1,708,964	$4,096,198 76	1.$\frac{56}{100}$ cents.	$4,447,803 46
1873	1,999,671	4,652,873 82	1.$\frac{57}{100}$ cents.	4,989,955 46
1874	2,186,786	4,908,961 93	1.$\frac{59}{100}$ cents.	5,523,642 39
1875	2,375,496	4,447,838 69	1.$\frac{16}{100}$ cents.	5,068,097 76
1876	2,686,248	4,417,275 57	1.$\frac{12}{100}$ cents.	4,802,902 23
1877	3,056,386	4,158,887 32	0.$\frac{88}{100}$ cents.	4,700,422 06

The large increase of gross tonnage will be noted as well as the rapid decrease in the average rate.

The separate traffic of the Branch Lines has increased from 470,651 tons moved in 1872, to 927,287 tons moved in the last year. This is local traffic, and in that period of time has nearly doubled.

The average rate of freight upon all the tonnage of the Line in 1873 was 1$\frac{57}{100}$ cents per ton per mile ; in 1877 the average rate upon all freight was $\frac{88}{100}$ of a cent, being slightly more than one-half the rate obtained five years previously.

The working expenses of the Passenger Trains have not varied much in this period of time, and their mileage has been quite uniform. The number of passenger trains run has not materially changed. Two-thirds of the income is derived from freight, and the expenses of this freight traffic form the largest proportion of the expenses of the Line.

There is no possible economy of expenditure, in the opinion of this Board, which will meet this case, and your Directors state

frankly their opinion, that the Trunk Lines leading from New York, Baltimore and Philadelphia to the West have pursued an erroneous policy; that a return to dividends will only be reached by wiser co-operation with each other, establishing rates for their freight traffic upon business principles, and rejecting traffic which leaves no margin for profit.

Your Directors believe that the income of this property during the past year has been seriously impaired in this contest of the Trunk Lines, but they are gratified to observe a general and wide-spread effort to establish a sounder policy among all the various Railway Corporations which have been parties to the severe and ruinous competition of the past year.

While the operations of the Line the past year have afforded no surplus for a dividend to the shareholders, the Directors wish to call attention to the fact that the Floating Debt, which was $1,200,000 on the 1st June 1875, and $700,000 on the 1st June 1876, has been steadily diminishing.

The actual debt June 1st, less the Cash on hand applicable to pay upon it, was $299,671.42. There has been some still further reduction till now with cash assets on hand to meet it, it may be considered as practically all extinguished. At the annual meeting the accounts for the year had not been made up, and only estimated statements were made. The statement as then made was smaller than the above amount.

The impossibility now with the large extensions and increase of business in the last ten years of making up the accounts in the very short time after the first of June, and before the annual meeting was the occasion of the passage of a resolution at the Stockholders' meeting, recommending that the Board change the fiscal year, so that it may close with the calendar year.

It is probable that the Board may act upon this recommendation in future.

While the floating debt has been discharged, there have been large and valuable improvements made to the property, by nearly completing the laying of steel rails upon the Main and Air Lines. There are only five miles of iron rails left on the Main Line, and thirty miles upon the Air Line. Fourteen Locomotives have

been entirely rebuilt; seventy-seven Locomotives have undergone general repairs; nearly the entire Passenger and Freight Equipment has also been repaired and fully maintained, besides the purchase of six new locomotives.

Since the last report the Board has succeeded in completing an arrangement with the Jackson, Lansing & Saginaw Railroad Company, whose road is leased to this Company, by which the entire net proceeds of the land grant, amounting to about 500,000 acres, and all the proceeds of land sold, amounting to about $300,000, and yet to be paid, will be applied to extinguish the bonds of that Company, for which by the terms of the lease this Company was liable.

This arrangement will diminish the amount of rent, payable in the form of interest annually, by the full amount realized in each year from the lands. During the last year there have been paid and cancelled $140,000 of bonds.

For the condition of the sinking fund, Stockholders are referred to the report of the Commissioners' report hereto annexed.

For the statement of the bonds outstanding of all classes, and income accounts and other details, they are referred to the statement of the funded debt, rents and interests contained in the tables herewith furnished.

The Directors further report, that since the close of the fiscal year higher rates for through freight have been established, and their hope and expectations are that the unwise effort, to carry an immense tonnage over these Trunk Lines at a nominal rate, will be abandoned, that the Lines will confine themselves to their legitimate traffic, and discontinue a policy which has resulted in large expenditures, and created an artificial volume of traffic, which has left an unprofitable result and seriously impaired confidence in Railway securities.

Our property is well located, traversing a dense population, and for twenty years has had a constant increase of both passenger and freight traffic. It is an exceptional line in the fact that no serious accident or loss of life have occurred in this period of time. The resources of the property are great, and the Board look hopefully to future results.

The Board cannot close this Report without expressing the obligations of the Company to the Superintendent and his staff, for the diligence and ability with which they have managed the property of the Company, and the careful and close economy with which the business of the year has been done.

By Order of the Board,

SAMUEL SLOAN, President.

GENERAL SUPERINTENDENT'S REPORT.

OFFICE GENERAL SUPERINTENDENT,
DETROIT, MICH., May 31, 1877.

SAMUEL SLOAN, ESQ., *President M. C. R. R., New York.*

DEAR SIR:—Herewith are submitted statistics showing the business of the Road for the year ending May 31st, 1877.

Length of Road operated same as previous year.

Chicago to Kensington including 14 miles used jointly with Illinois Central Railroad	284.00 miles.
Branches, including Air Line	519.72 "
Total	803.72 miles.

The Earnings and Expenses for the year ending May 31st, 1877, compare as follows with the previous year:

EARNINGS.

	1876.	1877.	INCREASE.	DECREASE.
Earnings from Freight	$4,417,275 52	$4,158,887 32	.....	$258,388 20
Passenger	2,138,233 41	2,026,265 44	.....	111,967 97
Miscellaneous	295,455 13	312,974 00	$17,518 87	.....
Total	$6,850,964 06	$6,498,126 76	.....	$352,837 30

OPERATING EXPENSES.

Excluding Taxes	$4,636,225 73	$4,439,521 02	.....	$196,704 71
Taxes	166,676 50	266,921 04	100,244 54	.....
Total	$4,802,902 23	$4,706,442 06	.....	$ 96,460 17
Net Earnings	2,048,061 83	1,791,684 70	.....	256,377 13

RATIO OF EXPENSES TO EARNINGS.

Excluding Taxes	67.67	68.32	00.65	.....
Including Taxes	70.10	72.43	02.33	.....

FREIGHT STATISTICS.

	1876.	1877.	INCREASE.	DECREASE.
No. of tons—Local.....	1,592,605	1,710,739	118,134	.....
No. of tons—Through	1,093,643	1,345,647	252,004	.....
Total tons hauled.....	2,686,248	3,056,386	370,138	.....
Tons moved 1 mile.....	396,046,422	473,837,807	77,791,385	.....
Earn'gs per ton pr. mile	.01 $\frac{12}{100}$ c.	.00 $\frac{88}{100}$ c.	.....	.00 $\frac{24}{100}$ c.

With the rates of 1876 and tonnage of 1877 the earnings from freight for 1877 would have been $5,306,983.44, an increase of $889,707.92, or compared with amount actually earned in 1877, an increase of $1,148,096.12.

PASSENGER STATISTICS.

	1876.	1877.	INCREASE.	DECREASE.
No. Passengers—Local.....	1,374,105	1,265,879	.....	108,266
No. Passengers—Through....	152,331	184,257	31,926	.....
Total No. Passengers.....	1,526,436	1,450,136	.....	76,300
Total Pass'gers moved 1 mile	86,847,889	93,830,515	6,982,626	.....
Earning per Pass. per mile...	02. $\frac{46}{100}$ c.	02. $\frac{16}{100}$ c.	.....	00. $\frac{30}{100}$ c.

Steel rail was laid during the year as follows:

Main Line	26.44 miles.
Air Line	54.19 "
Jackson, Lansing and Saginaw	3.36 "
Total	83.99 miles.

The difference between cost of Steel and Iron being charged to construction.

Iron Rail was laid in same time as follows:

Jackson, Lansing and Saginaw	7.97 miles.

During the year Side Tracks have been extended 3.10 miles. Cost of same being included in Road Repairs.

The number of miles now laid with steel is

Main Line, Main Track	264.86	miles.
Main Line, Second Track	72.56	"
Air Line	72.41	"
Jackson, Lansing and Saginaw	3.36	"
Total	413.19	miles.

There are now but 5 miles of Iron in Main Line, and 30 miles of Iron in Air Line, to be replaced.

Details of Track Repairs charged to Operating.

Track Ties renewed	260,088.
Track Ballasted	51.75 miles.
Fence Built	20.75 miles.
Bridges Filled	1913 feet.

LOCOMOTIVE DEPARTMENT.

The number of locomotives has been increased by 6, purchased during the year, the cost of which has been charged to equipment, making total number of engines owned by the Company 219, of which 135 are coalburners, and 84 woodburners.

14 Locomotives have been built to take the place of those condemned for service, the cost of same being included in operating expenses.

The condition of the motive power has steadily improved, until now it is believed to be adequate to the demands of any business which the Company may reasonably expect.

CAR DEPARTMENT.

The number of Cars has not been materially changed. The number of coaches shows an apparent reduction of two, which is caused by dropping from list second class coaches Nos. 111 and 114, sold to the Chicago and Michigan Lake Shore Railroad in 1873, and which through oversight had not previously been omitted.

The amount paid for Car Service within the year over amount received for use of our cars by other companies was $202,912.71, which fact, coupled with the very low present prices of rolling stock, would seem to render it advisable to add gradually to our rolling stock.

Further details of the operation of different departments are given in accompanying tables.

Respectfully submitted,

H. B. LEDYARD, *Gen'l Sup't.*

EARNINGS AND EXPENSES.

1876.	EARNINGS.	1877.
$4,417,275 52	Freight	$4,158,887 32
2,138,233 41	Passenger	2,026,265 44
108,433 06	Mail	94,220 04
139,065 34	Express	126,266 35
47,956 73	Miscellaneous	92,487 61
$6,850,964 06	Total	$6,498,126 76
	EXPENSES.	
$720,872 38	Road Repairs	$699,874 78
23,161 16	Bridge "	31,345 71
9,791 34	Fence "	6,203 58
76,788 97	Building "	36,526 59
3,359 06	Water Works Repairs	17,702 60
14,736 52	Dock "	15,310 32
335,332 86	Locomotive "	311,694 81
412,689 46	Car "	315,624 16
422,781 30	Locomotive Service	423,231 62
390,160 21	Train "	425,537 43
578,547 89	Station "	552,871 89
15,115 97	Water "	9,316 13
195,266 85	General Expenses	178,646 64
17,976 58	Legal "	19,150 99
6,359 73	Miscellaneous Expenses	9,526 17
177,839 53	Foreign Agencies	155,843 40
82,271 91	Telegraphing	71,525 30
614,768 04	Fuel Consumed	632,803 31
20,516 73	Rental	31,137 66
110,396 40	Track Rental	63,342 24
79,803 41	Oil and Waste	85,459 21
31,212 73	Stationery	27,973 93
23,550 81	Printing and Advertising	22,112 31
44,116 58	Loss and Damage, Freight	25,814 49
21,039 18	Loss and Damage, Miscellaneous	5,544 94
1,611 77	Stock Killed and Injured	4,267 12
11,696 26	Injuries to Persons	15,642 35
144,514 34	Car Mileage	202,912 71
20,801 19	Commissions	32,963 98
23,011 13	Insurance	.....
6,135 44	Interest	9,614 65
$4,636,225 73	Total	$4,439,521 02
$166,676 50	Taxes	$266,921 04
$4,802,902 23	Total including Taxes	$4,706,442 06
70.10	Per cent. of Expenses to Earnings	72.43

DETAILS LOCOMOTIVE DEPARTMENT.

MILES RUN BY LOCOMOTIVES.

	1876.	1877.	INCREASE.	DECREASE.
Passenger	1,817,970	1,580,381	.....	237,589
Freight	2,936,445	3,222,726	286,281	.....
Switching	1,576,872	1,669,592	92,720	.....
Miscellaneous	286,143	275,184	.....	10,959
Total	6,617,430	6,747,883	130,453	

EXPENSE OF MAINTENANCE.

Locomotive Repairs	$ 335,332 86	$ 311,694 81	.....	$ 23,638 05
Locomotive Service	422,781 30	423,231 62	450,32	.....
Fuel	560,598 15	552,860 87	.....	7,737 28
Oil and Waste	42,624 14	40,233 37	.....	2,390 77
Total	$1,361,336 45	$1,328,020 67	.....	$ 33,315 78

COST PER MILE RUN.

Repairs	5,07 cents	4,62 cents	.....	0,45 cents
Service	6,39 "	6,27 "	.....	0,12 "
Fuel	8,47 "	8,19 "	.....	0,28 "
Oil and Waste	0,64 "	0,60 "	.....	0,04 "
Total	20,57 cents	19,68 cents	.....	0,89 cents

MILES RUN TO

Ton Coal	38,82	35,45	.....	3,37
Cord Wood	41,05	46,42	5,37	.....
Pint Oil	11,50	9,65	.....	1,85

AVERAGE TRAIN HAULED.

Passenger	4,19	4,85	0,66	.....
Freight	18,69	20,39	1,70	.....

Number of Engines Built Entire	14
" " " Rebuilt, Heavy Repairs	77
" " " New Boilers and Fireboxes	14
" " New Fireboxes	24
" " " Tires (Rings)	261
" " " Driving Wheels	85
" " " " " Axles	40
" " " Tank and Engine Truck Wheels	1064
" " " " " " Axles	180
" " " Air Brakes	3
" " " Steam Bell Ringers	39

Number of New Sets of Flues	14
" " " Pilots	75
" " " Tanks	9
" " " Tender Frames	24
" " " Cabs	25
" " " Pistons	113
" " " Injectors	55
" " " Piston Rods	110
" " Flues reset (sets)	84
" " Tires turned	175
" " Engines with Air Brakes	62
" " " Coal Burners	135
" " " Wood Burners	84

DETAILS OF TRACK.

	Main Track. No. Miles.	Side Track. No. Miles.
Main Line—Detroit to Kensington—		
Main Track 270 00		
Second Track 72 50		
	342.50	144.96
Air Line Division	103.60	10.66
Joilet Division	45.00	8.60
Grand River Valley Division	84.00	7.51
Jackson, Lansing and Saginaw Division	236.00	29.85
Kalamazoo and South Haven Division	40.00	2.94
Niles and South Bend Division	11.12	1.08
Total	862.22	205.60

DETAILS OF CAR DEPARTMENT.

PRINCIPAL ITEMS OF RENEWAL.

Coaches General Repairs	76
do Light Repairs	24
do Miscellaneous	15
Way Cars Rebuilt	18
Combination Stock Cars Rebuilt	9
Old Style Large Stock Cars Rebuilt	38
Double Deck Stock Rebuilt	29
Merchandise Cars Rebuilt	72
Blue Line Cars Rebuilt	49
Platform Cars Rebuilt	31
Merchandise Charcoal Cars Rebuilt	8
Miscellaneous Cars, General Repairs	171
do do Light Repairs	588

STOCK IN CAR DEPARTMENT.

No. of Wheels.	KINDS OF CAR.	1876.	1877.	Increase.	Decrease.
8	Inspection Car	1	1	.....	.....
12	Paymaster's Car	1	1	.....	.....
12	Dining Car	1	2	1	.....
12	Passenger Cars—First Class	70	66	.....	4
8	Passenger Cars—First Class	8	11	3	.....
12	Passenger Cars—Second Class	29	27	.....	2
12	Combination Cars, Passenger and Bag.	2	1	.....	1
8	Combination Cars, Passenger and Bag.	6	7	1	.....
12	Postal Cars	3	3	.....	.....
12	Combination Cars, Bag. and Mail	18	16	.....	2
8	Combination Cars, Bag. and Mail	17	16	.....	1
8	Way or Conductor Cars	107	117	10	.....
8	Large Stock Cars	134	139	5	.....
8	Small Stock Cars	136	172	36	.....
8	Double Deck Stock Cars	219	178	.....	41
8	Merchandise Cars	1641	1734	93	.....
8	Combination Cars	498	406	.....	92
8	Blue Line Cars	873	880	7	.....
8	Refrigerator Cars	6	.....	.....	6
8	Platform Cars	1304	1296	.....	8
8	Derrick Cars	2	3	1	.....
	Pile Driver Cars	1	1	.....	.....
	Total	5077	5077	.....	.....

PASSENGER STATISTICS.

	1876.				1877.			
	Passengers Moved.	Passengers Moved One Mile.	Rate per Pass per Mile.	EARNINGS.	Passengers Moved.	Passengers Moved One Mile.	Rate per Pass per Mile.	EARNINGS,
EASTWARD.								
Through	65,582	18,625,288	2.14	$398,504 23	75,410	21,416,440	1.84	$394,073 62
Local	663,377	21,431,509	2.93	626,992 65	629,597	20,637,748	2.78	575,096 28
Total	728,959	40,056,797	2.56	$1,025,496 88	705,007	42,054,188	2.30	$969,169 90
WESTWARD.								
Through	65,557	18,618,188	2.21	$ 412,175 13	87,390	24,818,760	1.67	$413,325 87
Local	710,728	22,154,376	2.91	644,236 22	636,282	20,863,779	2.82	587,948 82
Emigrant	21,192	6,018,528	0.94	56,325 18	21,457	6,093,788	0.92	55,820 85
Total	797 477	46,791,092	2.38	$1,112,736 53	745,129	51,776,327	2.04	$1,057,095 54
TOTAL	1,526,436	86,847,889	2 46	$2,138,233 41	1,450,136	93,830,515	2.16	$2,026,265 44
Increase	.....	.....	.....	.....	.....	6,982,626	.....	.....
Decrease	.....	.....	.....	.....	76,300	.....	0.30	$111,967 97

FREIGHT STATISTICS.

	1876.				1877.			
	Tons Moved.	Tons Moved One Mile.	Rate per Ton per Mile.	EARNINGS.	Tons Moved.	Tons Moved One Mile.	Rate per Ton per Mile.	EARNINGS.
EASTWARD.								
Through	825,450	225,084,935	0.82	$1,836,958 48	1,015,104	277,192,475	0.63	$1,755,317 01
Local	1,088,914	65,863,381	1.88	1,235,617 17	1,164,556	72,272,633	1.67	1,208,627 69
Total	1,914,364	290,948,316	1.06	3,072,575 65	2,179,660	349,465,108	0 85	2,963,944 70
WESTWARD.								
Through	268,193	75,375,540	0.78	586,166 08	330,543	92,098,130	0.50	457,216 22
Local	503,691	29,722,566	2.55	758,533 79	546,183	32,274,569	2.29	737,726 40
Total	771,884	105,098,106	1.28	1,344,699 87	876,726	124,372,699	0.96	1, 94,942 62
TOTAL	2,686,248	396,046,422	1.12	$4,417,275 52	3,056.386	473,837,807	0.88	$4,158.887 32
Increase					370,138	77,791,385		
Decrease							0.24	$258,388 20

REPORTS

OF

TRUSTEES OF SINKING FUND

AND

TREASURER.

TRUSTEES' REPORT.

To the President and Directors of the Michigan Central Railroad Company:

The Trustees appointed under the Trust Mortgage Deed of the Michigan Central Railroad Company to John M. Forbes, Nathaniel Thayer, and H. H. Hunnewell, Trustees, under date of September 29, 1857, report:—

That the present standing of the Sinking Funds, the care of which was intrusted to them, shows the balance to the credit of the *First Sinking Fund*, on the 31st of May, 1877, was in

Bonds at par, viz:—		
Michigan Central Railroad Co.	$511,500 00	
Joliet and Northern Indiana Railroad Co.	105,000 00	
Burlington and Missouri River R. R. Co. .	191,000 00	
Missouri River, Fort Scott & Gulf R.R. Co.	5,000 00	
Jackson, Lansing and Saginaw R. R. Co. .	140,000 00	
Carthage and Burlington Railroad Co. . .	22,500 00	
Dixon, Peoria and Hannibal Railroad Co.	13,000 00	
Fort Wayne, Jackson and Saginaw RR. Co.	25,000 00	
Ionia and Lansing Railroad Co.	17,000 00	
Chicago and Michigan Lake Shore RR. Co.	146,000 00	
Detroit, Lansing and Northern Railroad Co.	13,000 00	
Detroit, Hillsdale and So. Western Railroad Co. (scrip)	140 00	
Chicago, Burlington and Quincy R. R. Co.	40,500 00	
United States	99,800 00	
Stock at par, viz:—		
Detroit, Hillsdale, and So. Western RR. Co.	7,000 00	
Michigan Central Railroad Co.	10,100 00	
Detroit, Lansing and Northern Railroad Co.	17,100 00	
do. (scrip)	60 00	
Cash in Old Boston National Bank	1,088 92	
		$1,364,788 92

And to the credit of the *Second Sinking Fund*, on the 31st of May, 1877, was in

Bonds at par, viz:—		
Michigan Central Railroad Co.	$166,500 00	
Joliet and Northern Indiana Railroad Co.	32,000 00	
Burlington and Missouri River R. R. Co. .	63,000 00	
Missouri River, Ft. Scott and Gulf RR. Co.	15,000 00	
Jackson, Lansing and Saginaw R. R. Co. .	56,000 00	
Carthage and Burlington Railroad Co. . .	3,000 00	
Ionia and Lansing Railroad Co.	4,000 00	
Chicago and Michigan Lake Shore RR. Co.	31,000 00	
Detroit, Hillsdale and So. Western Railroad Co. (scrip)	100 00	
Detroit, Lansing and Northern R. R. Co. .	2,000 00	
Chicago, Burlington and Quincy R. R. Co.	12,500 00	
United States	37,000 00	
Stock at par, viz:—		
Michigan Central Railroad Co.	3,200 00	
Joliet and Northern Indiana Railroad Co.	1,000 00	
Detroit, Hillsdale and So. Western RR. Co.	5,000 00	
Detroit, Lansing and Northern Railroad Co.	2,600 00	
do. (Scrip)	40 00	
Cash in Old Boston National Bank	348 06	
		$434,288 06

The accounts for the year ending May 31st, 1877, are as follows:—

Michigan Central Railroad First Sinking Fund.

IN ACCOUNT WITH THE TRUSTEES.

1876	Cash in Old Boston National Bank, May 31, 1876	$ 529 70
June 30	Received 6 months interest on $73,300.00 United States Bonds, $2,199 gold at 112¼	2,468 38
July 1	Received 6 months interest on $17,000 Ionia and Lansing Railroad Bonds .	680 00
"	Received 6 months interest on $13,000 Dixon, Peoria and Han. RR. Bonds .	520 00

July 1	Rec'd 6 months interest on $40,500 Chicago, Burlington and Quincy Railroad Bonds	1,417 50	
"	Rec'd 6 months interest on $131,000 Jackson, Lansing and Saginaw RR. Bonds	5,240 00	
"	Rec'd 12 months interest on $140 Detroit, Hillsdale and S. W. R. R. Scrip . .	11 20	
"	Rec'd portion ($15 each) of 6 months interest coupons due July 1, 1876, on $25,000 Ft. Wayne, Jackson and Saginaw Railroad Bonds	375 00	
Oct. 2	Rec'd 6 months interest on $191,000 Burlington and Mo. Riv. Railroad Bonds	6,685 00	
Nov. 1	Rec'd 6 months interest on $22,500 Carthage and Burlington Railroad Bonds	900 00	
"	Rec'd 6 months interest on $9,000 Jackson, Lansing and Saginaw RR. Bonds	360 00	
1877			
Jan. 3	Rec'd 6 months interest on $131,000 Jackson, Lansing and Saginaw RR. Bonds	5,240 00	
"	Rec'd 6 months interest on $40,500 Chicago, Burlington and Quincy RR.Bds.	1,417 50	
"	Rec'd 6 months interest on $13,000 Dixon, Peoria and Han. Railroad Bonds . .	520 00	
"	Rec'd 6 months interest on $17,000 Ionia and Lansing Railroad Bonds . . .	680 00	
	Rec'd balance ($25 each) of 6 m'ths int., coupons due July 1, '76, on $25,000 Fort Wayne, Jackson and Saginaw Railroad Bonds	625 00	
Jan. 16	Rec'd 6 months interest on $88,300 U. S. Bonds, $2,649 gold at $106\frac{13}{10}$	2,829 46	
April 2	Rec'd 6 months interest on $191,000 Burlington and Mo. Riv. Railroad Bonds	6,685 00	
May 1	Rec'd 6 months interest on $22,500 Carthage and Burlington Railroad Bonds	900 00	
"	Rec'd 6 months interest on $9,000 Jackson, Lansing and Saginaw RR. Bds. .	360 00	
"	Rec'd par value in Bonds, Stock & Stock scrip of Detroit, Lansing & Northern Railroad Co., in exchange for $26,000 Bonds of Detroit, Lansing and Lake Michigan Railroad, with the unsettled accrued interest to Oct. 1, 1876 . . .	30,160 00	
			$68,603 64

1876				
July 26	Paid.	Cost of $9,000 in U. S. 5-20 Bonds	10,878 75	
Oct. 25	"	" 6,000 "	7,110 00	
1877				
Jan. 17	"	" 10,500 "	12,022 50	
Apr. 17	"	" 5,000 in Michigan C'tral Railroad Sinking Fund Bonds . . .	5,517 78	
May 1	Paid.	Cost of $1,000 in U. S. 5.20 Bonds	1,143 75	
"	"	in Bonds of Detroit, Lansing and Lake Michigan Railroad at par, with accrued interest due and unpaid Oct. 1, '76, for $13,000 in Detroit, Lansing and Northern Railroad Bonds $13,000		
		171 Shs. do. Stock 17,100		
		Scrip do. " 60		
			30,160 00	
May 31	Paid.	Commission 1 % on purchases . .	366 73	
		Paid. Clerk hire $173; rent of safe $50; advertising, etc., $92.31	315 31	
"	Cash in Old Boston National Bank . .		1,088 92	
				$68,603 78

Michigan Central Railroad Second Sinking Fund.

IN ACCOUNT WITH THE TRUSTEES.

1876	Cash in Old Boston National Bank, May 31, 1876	$ 48 74
June 30	Received 6 months interest on $27,000 U. S. Bonds, $810 gold at 112¼	909 22
July 1	Rec'd 6 months interest on $4,000 Ionia and Lansing Railroad Bonds . . .	160 00
"	Rec'd 6 months interest on $12,500 Chicago, Burlington & Quincy R. R. Bds.	437 50
"	Rec'd 6 months interest on $54,000 Jackson, Lansing and Saginaw Railr. Bds.	2,160 00
"	Rec'd 12 months interest on $100 Detroit, Hillsdale and So. W. Railroad Bonds	8 00
Oct. 2	Rec'd 6 months interest on $63,000 Burlington and Mo. River Railroad Bonds	2,205 00
Nov. 1	Rec'd 6 m'ths interest on $3000 Carthage and Burlington Railroad Bonds . .	120 00
"	Rec'd 6 months interest on $2,000 Jackson, Lansing and Sag. Railroad Bonds	80 00

1877			
Jan. 3	Rec'd 6 months interest on $54,000 do. .	2,160 00	
"	Rec'd 6 m'ths interest on $12,000 Chicago, Burlington and Quincy Railroad Bds.	437 50	
"	Rec'd 6 months interest on $4,000 Ionia and Lansing Railroad Bonds . . .	160 00	
Jan. 16	Rec'd 6 months interest on $31,500 U. S. Bonds, $945 gold at 106 3/16	1,009 38	
Apr. 2	Rec'd 6 months interest on $63,000 Burlington and Mo. Riv. Railroad Bonds	2,205 00	
May 1	Rec'd 6 months interest on $3,000 Carthage and Burlington Railroad Bonds	120 00	
"	Rec'd 6 months interest on $2,000 Jackson, Lansing and Saginaw RR. Bonds	80 00	
"	Rec'd par value in Bonds, and Stock Scrip of Detroit, Lansing and Northern RR. Co. in exchange for $4,000 Bonds of Detroit, Lansing and Lake Michigan Railroad, with the unsettled accrued interest to Oct. 1, 1876 . . .	4,640 00	
			$16,940 34
1876			
July 26	Paid. Cost of $3,000 in U. S. Bonds, 5-20s	3,626 25	
Oct. 25	" " " $1,500 in do "	1,777 50	
1877			
Jan. 17	" " " $3,500 in do "	4,007. 50	
May 1	" " " $2,000 in do "	2,287 50	
"	Paid in Bonds of Detroit, Lansing and Lake Michigan Railroad at par with accrued interest, due and unpaid Oct. 1, 1876, for $2,000, in Detroit, Lansing & North. Railroad Bonds, $2,000 26 Shs. do Stock, 2,600 Scrip do " 40	$4,640 00	
May 31	Paid Commission 1 % on purchases . .	116 99	
	" Clerk hire $57; rent of safe $50; advertising, etc., $29.54	136 54	
"	Cash in Old Boston National Bank . .	348 06	
			$16,940 35

E. & O. E.

H. H. HUNNEWELL,
N. THAYER,
W. H. FORBES,
} *Trustees.*

BOSTON, May 31, 1877.

Exhibit of Funded Debt, Interest, Rents, Etc.

DESCRIPTION.	Funded Debt.			INTEREST, RENTS, ETC.										
	When Due.	Rate of Int.	Amount.	Jan. 1st	Jan. 10th	March 1st	April 1st	May 1st	July 1st	July 10th	Sept. 1st	Oct. 1st	Nov. 1st	TOTAL.
MAIN LINE.														
Mortgage Loan Bonds	1882	8	$ 556,000 00											
First Sinking Fund Bonds	1882	8	1,508.000 00											
Second Sinking Fund Bonds	1882	8	671,000 00											
			$2,735.000 00											
Less paid and in hands of Sinking Fund Trustees			678,000 00											
Amount now outstanding			$2,057,000 00				82,280 00					82,280 00		$164,560 00
Equipment Bonds	1883	8	556,000 00				22,240 00					22,240 00		44,480 00
Consolidated Bonds	1902	7	8 000,000 00					280,000 00					280,000 00	560,000 00
Air Line Bonds	1890	8	1,900,000 00	76,000 00					76,000 00					152,000 00
LEASED LINES.														
Michigan Air Line Bonds	1890	8	200,000 00					8,000 00					8,000 00	16,000 00
Grand River Valley—1st Bonds	1886	8	1,000,000 00	40,000 00					40,000 00					80,000 00
Grand River Valley—2d Bonds	1879	8	500,000 00			20,000 00					20,000 00			40,000 00
Grand River Valley—Rental				12,280 00					12,280 00					24.560 00
Kalamazoo and So. Haven—1st Bonds	1890	8	640,000 00					25,600 00					25.600 00	51,200 00
Kalamazoo and So. Haven—2d Bonds	1890	8	70,000 00					2,800 00					2,800 00	5,600 00
Jackson, Lansing & Sag.—1st Bonds	1885	8	1,277,000 00	51,080 00					51,080 00					102,160 00
Jackson, Lansing & Sag.—2d Bonds	1878	8	142.000 00			5,680 00					5,680 00			11,360 00
Jackson, Lan. & Sag.—North'n Ext.	1890	8	687.000 00					27,480 00					27,480 00	54.960 00
Jackson, Lan. & Sag.—Consolidated	1891	8	2,001,000 00			80,040 00					80 040 00			160,080 00
Jackson, Lansing & Saginaw—Rental						35,000 00					35,000 00			70,000 00
Jackson, Lansing & Saginaw—Exp'ses						375 00					375 00			750 00
Joliet & Northern Indiana—Rental					44,500 00					44,500 00				89,000 00
GUARANTEED BONDS.														
Detroit and Bay City—1st Mortgage	1902	8	274.000 00					10,960 00					10,960 00	21,920 00
Detroit and Bay City—Bridge & Branch	1903	8	150,000 00					6,0.0 00					6,000 00	12,000 00
Total			$19,454,000 00	179,360 00	44,500 00	141,095 00	104,520 00	360,840 00	179,360 00	44,500 00	141,095 00	104,520 00	360,840 00	$1,660,630 00

CONDENSED BALANCE SHEET.

Construction Account		$28,285,746 50	
*Construction Account—Branches		4,630,229 33	
Sundry Securities		720,578 80	
Equipment Bond Trustees		545,245 82	
Detroit and Bay City Railroad		248,831 78	
Chicago and Michigan Lake Shore Railroad		97,840 19	
Sleeping Car Company Stock		12,733 34	
Material Account		229,035 83	
Sundry Accounts		12,018 99	
Cash—in New York and Detroit		107,560 39	
		$34,889,820 97	
Capital Stock			$18,738,204 00
Bond Accounts:—			
Mortgage Loan	$556,000 00		
First Sinking Fund	1,508,000 00		
Second Sinking Fund	671,000 00		
Equipment	556,000 00		
Consolidated	8,000,000 00		
Air Line	1,900,000 00		
			13,191,000 00
Income Account			2,553,403 16
Bills Payable			407,213 81
			$34,889,820 97

*Of this amount about $1,900,000 were proceeds of the Air Line Bonds, secured by mortgage on that road.

INCOME ACCOUNT.

1877.			1876.		
May 31	Operating Expenses and Taxes	$4,706,442 06	June 1	Balance from previous year	$2,247,997 32
	INTEREST ON FUNDED DEBT.			EARNINGS.	
	Main Line $769,440 00			Freight $4,158,887 32	
	Leased Lines 678,200 00			Passengers 2,026,265 44	
	TOTAL	1,447,640 00		Mail 94,220 04	
	Rental—Leased Lines	184,230 00		Express 126,266 35	
				Miscellaneous 92,487 61	
				TOTAL	6,498,126 76
	Balance	2,553,403 16		Interest and Dividends from Investments	145,591 14
		$8,891,715 22			$8,891,715 22

B. DUNNING, TREASURER.